

CRA G—1958-59

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2 December 1957

## BUDGET POLICY FOR PUBLICATIONS PROCUREMENT

### 1. Budget Preparation:

- a. Each year the CIA operating officials\* will prepare and submit to the Office of Central Reference their estimated requirements for ordered publications for incorporation in OCR's estimated share of the next Congressional Budget.
- b. The Office of Central Reference will prepare estimated requirements for the OCR collection, the foreign publications selection program,\*\* and special projects.
- c. OCR will review the estimates of operating components and, where necessary, revise them in consultation with the affected components.
- d. The total Agency publications procurement budget will be prepared by OCR and submitted to the Comptroller.

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\* Operating officials include: Chiefs of Senior Staffs & Area Divisions under the jurisdiction of the Deputy Director (Plans); Assistant Directors under the jurisdiction of the Deputy Director (Intelligence); and Chiefs of Staffs, the Comptroller, the General Counsel, and Directors of Offices under the jurisdiction of the Deputy Director (Support).

\*\*Selections of foreign publications by State Department Publications Procurement Officers in response to Agency written requirements.

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e. The following fiscal year, prior to allocation of funds from the approved Congressional Budget, operating officials will prepare and submit revised estimates to OCR.

f. OCR will allocate the approved Agency publications procurement budget and will notify each operating component of the amount of its allocation.

2. Budget Management:

a. As publications are ordered by operating components, the costs will be charged against their allocations. Publications selected by PPO's, or ordered for the OCR collection for special projects will be charged against the OCR allocations.

b. When the allocation of an operating component has been exhausted by purchases against its account, the component will be notified. Additional purchases for that component will be at the option of OCR, unless the component makes supplementary funds available to OCR.

c. When OCR determines that the total publications procurement budget is inadequate to support the planned expenditures for the remainder of a fiscal year, the AD/CR will estimate the additional funds required and request these of the Comptroller.

If the Comptroller reports that the estimated additional funds required cannot be made available, the AD/CR will prorate the estimated deficit among the operating components which have

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exceeded or are in process of exceeding their current allocations (para. 1f. above). Representatives of these components will meet with the Comptroller and the AD/CR to review the estimates and determine what amounts can be transferred from their operating funds to the publications procurement budget. The Comptroller will effect the transfers and OCR will allocate the additional funds in conformity with the agreement.

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10 December 1957

*File  
(Master Copy)*

MEMORANDUM FOR: Assistant Director, Basic Intelligence  
Assistant Director, Research and Reports  
Assistant Director, Scientific Intelligence  
Chief, Foreign Intelligence, DD/P

SUBJECT : Establishment of an inter-office committee on research  
and operational support functions

1. You will recall that among various matters which I recently discussed with you, we explored the desirability of establishing some means of facilitating the exchange of views on matters of mutual interest on a more systematic basis. The tenor of responses has been such as to justify at least a try at the committee approach.

2. There is no better way to begin to test this approach than to begin with a meeting of those who could form such a committee.

3. I therefore attach two items which will serve as agenda:

- a. Draft terms of reference of the Central Reference Advisory Group; and,
- b. Draft statement of a Budget Policy for Publications Procurement.

4. The first item is self-explanatory. The second, typical of the kind of thing with which this committee can deal in a constructive way.

5. I will call you shortly regarding an appropriate time and place for our meeting.

cc: DD/I  
AD/CI  
AD/NE  
AD/O

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Master copy*

31 December 1957

MEMORANDUM FOR: Assistant Director, Basic Intelligence  
Assistant Director, Research and Reports  
Assistant Director, Scientific Intelligence  
Chief, Foreign Intelligence, DL/P

SUBJECT : Central Reference Advisory Group (CRAG)

25X1 1. The organization meeting for the Central Reference Advisory Group (CRAG) will be held at 2:30 Tuesday, 7 January, in Room 1053,  


2. In my 10 December memorandum to you, I circulated the draft terms of reference for CRAG.

3. A draft statement of a Budget Policy for Publications Procurement was also included. Attached is a revised draft of statement which my administrative people tell me is more meaningful to fiscal folks and which, in any event, has been coordinated with the Comptroller. We should therefore address ourselves to this substitute text.

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cc: DD/I  
AD/CI  
AD/NE  
AD/O

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DRAFT form letter

(\_\_\_\_ April 1958)

MEMORANDUM FOR:

ATTENTION :

SUBJECT : Publications Procurement Budget: Sub-allotment for

\_\_\_\_\_.

*for FY 59 and FY 60*

1. Budget estimates to provide for procurement of publications required will be necessary about (15 May 1958). Recent OCR experience in serving the requirements of your component is summarized below, as are estimates for FY 59 and FY 60, based upon the probable availability of publications. If no significant change in the requirements of your component for publications during those years are anticipated, your concurrence is requested. If, on the other hand, you expect a significant change, a revised estimate is requested.

## 2. Summary of expenditures and obligations:

Spent, FY 57	\$ _____
FY 58 budget, current sub-allotment	_____
Net obligations, 9 months, FY 58	\$ _____
Estimate, 4th quarter, FY 58	_____
Estimate, total requirements, FY 58	\$ _____

## 3. Estimates for FY 59 and FY 60:

Estimate FY 59	\$ _____	Revised Estimate	\$ _____
Estimate FY 60	\$ _____	Revised Estimate	\$ _____

CONCUR: \_\_\_\_\_



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DRAFT form letter

(\_\_\_\_ August 1958)

MEMORANDUM FOR:

ATTENTION :

SUBJECT : Publications Procurement Budget: Sub-Allotment  
for \_\_\_\_\_.

1. Expenditures and net obligations to serve the requirements of your component for publications during the fiscal year just completed total \$ \_\_\_\_\_.

2. The budget sub-allotment to serve the requirements of your component for publications during the current fiscal year is \$ \_\_\_\_\_.

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*January*  
10 December 1957

TERMS OF REFERENCE OF THE  
CENTRAL REFERENCE ADVISORY GROUP

Recognizing that the Office of Central Reference provides services of common concern, particularly for the research and operating components of the Agency, and that there exists therefore an interdependence among our offices requiring cooperative effort if we are to serve the best interests of the intelligence community, we are agreed to establish the Central Reference Advisory Group (CRAG).

The regular membership of CRAG, under the Chairmanship of the Assistant Director for Central Reference, shall include the following officials *or their*

*designees:*  
Assistant Director for Basic Intelligence  
Assistant Director for Research and Reports  
Assistant Director for Scientific Intelligence  
Chief of the Foreign Intelligence

~~Alternates will be designated in order to provide continuity when members are unable to attend meetings, and to assist the Group to handle its work expeditiously.~~

*participate in*  
Other components of the Agency will be ~~associated and~~ invited to attend meetings when an agenda item indicates they have an interest in it.

The general objectives of CRAG are:

- a. To provide AD/CR with policy guidance in the conduct of programs in support of research and operations, including

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*interest to*  
matters of which the IAC ~~subcommittee on information pro~~  
X

[REDACTED]

- b. To facilitate referral by AD/CR to the members for advice of proposed changes in reference service programs ~~(e.g., changes resulting from surveys or budget cuts)~~
- c. To facilitate referral by the members to AD/CR for appropriate action of plans and programs the implementation of which would affect reference support programs.
- d. To provide a forum for the exchange of ideas in areas of mutual interest to the research, operational and reference activities of the Agency.

AD/BI

AD/RR

AD/SI

Chief, FI

Noted by:

AD/CR

DD/I

DD/P

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CENTRAL INTELLIGENCE AGENCY

3 January 1958

MEMORANDUM TO: Assistant Director/ Central Reference

SUBJECT : Transmittal of Views on OCR's Document Handling Capability

1. The attached memorandum is a limited systems analysis of document handling in OCR. I have attempted to bring my intelligence experience in ORR, the National Indications Center, and ONE to bear upon this problem. The memorandum (24 pages) is written on a general level, and certain important suggestions are discussed more fully in Annex A (13 pages).

2. I have been unable to resolve the Consultants' conflicting positions on Intellofax and Minicard.

3. The major recommendations appear in paragraphs 26 to 36. In general they suggest the retention of Intellofax on probation, a modification of the numbering and filing procedure for aperture cards, the development of temporary hard copy files by country and issuing agency for a period of about one moving year, the correction of some irresponsible Nodex decisions, and a fundamental reorganization of the document analysis and coding groups. An early-stage gaps-in-intelligence device is suggested in paragraph 23h for the purpose of bringing OCR's information handling capabilities to bear on the preparation of NIE's in a more systematic manner; it would require specialization and current substantive knowledge somewhat beyond that which is available in reference at the present time.

4. The adoption of the recommendations (in part or in toto) contained herein will depend significantly on the acceptance of the underlying philosophy of approach which is spelled out in the assumptions in paragraphs 2 to 6. These assumptions reflect a belief also (a) that OCR should solicit guidance from higher authority on the type of information handling capability that is expected with especial reference to the speed of reaction, a major determinant of cost; and (b) that the AD/CR as soon as possible should raise at the highest levels the problem of compatibility among information handling equipment and systems of IAC agencies which I understand are considering multi-million dollar investments with very broad intelligence implications.

5. I wish to thank you for the opportunity to consider this important problem. The comments, of course, are personal views and do not necessarily reflect the official position of ONE although there appeared to be concurrence among several members with whom certain ONE aspects were considered.

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3 January 1958

MEMORANDUM TO: Assistant Director/Central Reference

SUBJECT: A User's View on OCR's Document Handling Capability

A. PROBLEM

1. To comment on OCR's information handling capabilities for raw intelligence documents. This memorandum focuses upon the role of Intellofax as discussed by the OCR Consultants and by OCR specialists, but comments where relevant on general needs underlying the basic disagreements and on several related aspects.

B. ASSUMPTIONS

2. That the OCR library must be judged as a basic capability of the intelligence community. To the extent that the consultants speak to this capability their recommendations are frequently perceptive, useful, and constructive. To the extent that they make adverse cost comparisons for various functions, however, they frequently appear to have erred or reached dubious conclusions, by arguing false analogies with standard reference libraries which do not have the heavy volume handled by CIA or the complex security problem; by not recognizing fully the transitional and inconvenient space arrangements in OCR; and by failing to recognize fully the premium to be put on speed.

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Moreover, they occasionally have incorporated significant elements of misinformation into their conclusions.

3. That the basic strategy for improving OOR should put primary emphasis on achieving the desired capability and secondary emphasis on minimizing cost within that improved capability. It does not appear rational to spend large sums of money on information collection and then to introduce marginal economies which jeopardize optimum utilization of that body of information; too much is at stake in the national security.

4. That OOR needs more specific policy guidance from higher authority on the nature of the desired OOR capability, with especial attention to the speed of OOR's reaction in assembling information for different types of requests and to the quality of reference assistance to be provided, both with regard to CIA internal needs and to other IAC needs. Present directives are not sufficiently clear on the desired speed of reaction, which is a major determinant of cost, to permit rational policy formulation within OOR, or to permit a really objective evaluation of OOR's present services.

5. That such policy guidance, developed with the advice of CIA research offices and the IAC community offices, should seek to relate Priority National Intelligence Objectives (PNIO's) and NIO's to the OOR role as a "memory" in the intelligence process, both for internal CIA needs and for IAC community needs. Advisory offices should consider the appropriate role for OOR's services rather than the past role, and this will probably require procedural reviews in advisory offices as well.

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6. That on the basis of such policy guidance the present OCR capability should be modified and integrated into a system tailored both to the differentiated needs of analysts in accordance with the priority of their projects in the over-all intelligence effort and to those forms of information storage most conducive to convenient use for these differentiated needs. Successive modifications must develop flexibility and must be consistent with the planned OCR accommodations in the new building; with possible technological innovations, such as the Minicard system now being tested; and with the capabilities of other agencies. The recently initiated efforts to integrate OCR's components into an over-all system should continue, and serious attention should be given to the consultants' recommendation to incorporate FDD into an integrated reference service.

C. DISCUSSION

7. It is generally recognized that intelligence draws heavily on open-source information, and that the unique contribution of the intelligence process is the systematic assimilation of open-source and classified information -- the latter frequently acquired against counter intelligence efforts of the foreign governments concerned -- into a timely all-source intelligence analysis.

8. OCR provides conventional reference functions, but OCR is differentiated from ordinary reference libraries largely by the classified raw intelligence documents which it handles. Although calls on these



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documents in the past have constituted a relatively small proportion of the total reference questions (say 10 to 15 percent), the importance of these classified documents to the intelligence officer and to the policy maker is inestimably greater than that proportion would indicate. This importance derives largely from the substantive content which frequently is not available in open sources and from the timeliness and reliability aspects.

9. The approach to handling these documents consequently is of fundamental importance in the OCR system for information storage and retrieval. This approach largely determines OCR's unique capability. Both volume and speed considerations led to an early interest in machine search to serve at least part of the information handling needs.

10. Retrospective machine search such as Intellofax works out the implications of current selection instructions on past classification decisions with great rapidity. Its primary virtue is that it permits the classification of incoming documents on a routine basis according to content aspects and security classification so that when an intelligence project is levied, the research analyst ideally may quickly obtain a pre-thought and "prepackaged" set of documents all of which contain relevant information and none of which is entirely irrelevant. Ceteris paribus, the greater the number of digits in the classification code, the greater the selectivity for the research analyst and the greater the speed advantage of sorting by machine. The system, however,

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is only as effective as the external human judgments for feeding incoming documents into the correct pigeonholes on the one hand, and as external human judgments for what pigeonholes to empty for a specific analyst's request on the other hand. All retrospective information storage and retrieval systems in fact have these three sensitive points (the code, the document analysts or coder(s), and the search instruction writer(s)) which limit the efficiency and reliability of recovery built into the actual searching technique.

11. The consultants severely criticize the present Intellofax system for handling classified documents, and on further analysis, their major criticisms fall into two categories: (a) that it is unreliable and/or costly, and (b) that it is incapable of providing, conveniently if at all, some important services which are desirable in a central reference system. Both these criticisms are justified to a greater degree than  rebuttal (The Ten Horrible Cases) would indicate.

a. The Consultant's Charge of Unreliability and/or Costliness.

12. Even before the consultants' report was submitted, it was becoming increasingly apparent that a rational information storage and retrieval system, like a high fidelity sound system, should have balance. There is little point to spending large sums of money to purchase an element with an extremely high capability (the machine search apparatus), if this capability is not utilized fully because

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of a much lesser capability elsewhere in the system (the analysis and coding operation and the writing of search instructions). The consultants charge OCR with indulging in this folly, and to a considerable degree, the consultants are justified.

13. There has been entirely too little progress in improving the initial analysis and coding of documents. The code now in use seems to have been developed in response to numerous user criticisms without serious attention to a simple unifying logic. It is difficult, if not impossible, to apply the code consistently and completely because given items appear in numerous places without adequate cross referencing. The organization and staffing of the document analysis sections lacks balance and adequate procedures for assuring high level analysis in the various intelligence fields. As a result of these deficiencies, the really conscientious research analyst, in order to be sure he has all the available information bearing on his problem, should forego the selectivity of the six digit code and make broad requests at about a three digit level. The consultants in essence ask: if CIA is satisfied with this unselective search, why not revert to an expanded Intelligence Publications Index (IPI) or a conventional card file which can produce the same result at lower cost.

14. There seems to be some inclination within OCR to accept the consultants' criticisms on the initial coding phase, but the  memorandum (The Ten Horrible Cases) appears to reflect a failure to

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to understand fully the importance of the search instruction writer in reference. Although insensitive to the indirect evidence which usually bears on any given research problem, this person is making substantive judgments each time search instructions are written, that is to say, he is judging what categories of coded data are relevant to the research analyst's problem. It is doubtful that OCR should ever make this selection unilaterally, both because the decision is essentially a substantive decision and because it removes responsibility from the research analyst for further data probes. The present Intellofax procedures call for "another look" by OCR if no documents are recovered on the basis of the first instructions or if a known document is not turned up, but in the more typical cases short of this extreme there is no way of assuring that the OCR instruction writer has ordered all or even most of the categories which the research analyst should study.

15. For optimum functioning of the system, the same multi-disciplined mind ideally should code documents, <sup>search and</sup> write/retrieval instructions, and finally develop finished intelligence from the recalled documents. It is only by approaching this ideal more closely, through procedures based on an improved understanding of the formidable communication and comprehension problems involved, that the cost of Intellofax machine search can be justified. (See also Annex A).

16. Intellofax has its greatest potential value for those documents whose content aspects contain easily defined and recognized logical categories. Economic activities, physical country descriptions,

(including missile site characteristics), target information, military hard goods, Order of Battle information, biographic information and other broad categories of data can be handled conveniently and with great rapidity by Intellofax or by some other retrospective machine search.

17. Indeed, in this context it is difficult to understand how the consultants resolve their finding that Minicard (with proper planning) holds considerable promise and their recommendation that Intellofax, a system with essentially the same input and output decision problems, be junked in favor of an unselective printed index. However, the implicit alternatives of the consultants -- to strengthen the above weak spots (paras. 12-14) considerably or to junk Intellofax in favor of an expanded Intelligence Publications Index (IPI) -- are correctly formulated. Nevertheless, in view of the potential speed advantages where machine search is applicable and in view of the desirability of learning to cope with the external human decision problems in preparation for more rapid and flexible systems such as Minicard, a decision to junk the Intellofax system now without even attempting to strengthen the weak spots probably would lead to serious information handling disadvantages in the future.

b. The Consultants' Charge of Limited Capabilities

18. The consultants' charge that Intellofax is inconvenient, if useful at all, for certain information retrieval requirements is well

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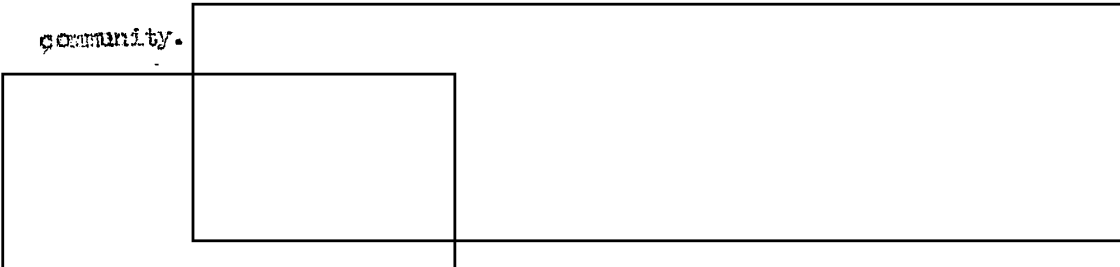
founded. Especially for political and military dynamics -- the delicate tasks of inferring strategies and of indentifying and weighing opposing forces -- there is no substitute for intact chronological files by country and issuing agency. In these pursuits the relevant categories of data are not fully known, and in addition they can change frequently, perhaps with the death of a political leader. More importantly perhaps there are very indirect shreds of evidence which contribute to the testing of hypotheses relating to the possible strategies of various factions or interests. These shreds seldom can <sup>be</sup> identified a priori for coding purposes; rather, they acquire meaning gradually with successive study of preceding and subsequent events, each time with a more mature understanding. Both in these tasks and in others, such as the retrieval of specific documents when several clues (including approximate dates, issuing agency or country of origin) are known, the Intellofax system is clearly not meeting agency needs. Finally certain types of documents such as FBIS and cables are not included within the system.

25X1A 19. The consultants have charged that the OCR failure to provide country files has created a need for large decentralized files in research offices of the DDI complex. [ ] has replied that research analysts would keep files regardless of the OCR efforts, and that when OCR did have the chronological files, there was limited use made of them. Both positions are correct but they are not incompatible.

20. Analysts in OCI and ONE, those offices within the DDI complex most directly concerned with political and military strategies and with

evaluating relative strengths, will keep collections of documents regardless, but these probably will be "gem" collections and not complete files over long periods. CCI is concerned mainly with highlighting current events in general and following the detailed developments within certain important countries. There appears to be no need for detailed files in depth although there occasionally is need for immediate access to such files. Similarly ONE as its Estimates Program moves from country to country has need for intensive study of country files while certain country estimates or memoranda are underway. On some occasions, particularly when turning points are approached in the country under review, there is need for ONE members to consult country files (both ordinary field reporting and cables) in depth.

21. If the intelligence community as a whole is to go beyond the tendency to extrapolate the present, it must have the information handling capability to facilitate the analysis and weighing of factors which tend to upset the current political equilibria. OCR cannot compel intelligence officers to utilize such a capability (the impetus must originate elsewhere), but if OCR does not provide the capability then OCR is limiting the effectiveness of the agency and the intelligence community.



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that this library capability certainly should exist somewhere in the intelligence community. What [ ] is arguing perhaps without recognizing it, is that because [ ]

[ ] the OCR library capability should be geared (almost exclusively) to ORR. This inability to distinguish between frequency of use on the one hand, and community capability for basic needs on the other seems to have led to some extremely one-sided developments within OCR.

22. The really disconcerting aspect of this country file problem is that a close but partial substitute could have been achieved (it still can be) at little or no additional cost, simply by filing aperture cards according to issuing agency and by country. The prefix number idea, apparently applied only to issuing agency, appears to destroy the organizational principle of country files. If the advantages of an issuing agency prefix outweigh the disadvantages, then a second section of prefixes should be added to identify the country of origin. By this device the present, disorganizing practice of distributing reports from a given country almost randomly through the entire document collection, can be corrected, and aperture cards can be filed both by issuing agency and by country of origin.

23. It is observed that most OCR efforts at systems analysis have been directed primarily at the narrower problem of how to handle a particular type of source, rather than at the more general and more basic

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problem of how to assemble all information bearing upon a given research problem. Future systems analysis probably will require more of a balance between these two problems. The following several paragraphs speak to certain elements of the more general system, many of which bear upon future decisions regarding machine search.

a. Minicard. It is noted that if the experimental application of Minicard now underway works out as expected, this system is expected to replace Intellofax within the next several years. In this event one set of Minicard racks can be kept as chronological reference files by issuing agency and country; these may be searched by machine if appropriate or they may be "read" by analysts in the reference room with the aid of a viewer. Another set of Minicard files probably can be filed by function rather than by area in order to cope with the multiple-country problem relating to international relations and trade. Minicard's flexibility and balance thus appear to offer the advantages of both worlds -- machine search where applicable and chronological country files by issuing agency for use where appropriate. Nevertheless, unless the document-analysis and search-instruction decisions are made more sensitive and complete than they have been for past Intellofax operations, Minicard will be a somewhat more rapid and presumably a considerably more costly version of Intellofax, and it will meet with the same user criticisms.

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b. NODEX. NodeX guides are criteria for keeping allegedly useless documents from entering and burdening the active library system. (Documents which meet these standards are neither indexed nor photographed for aperture cards.) While such an effort is good in theory, as practiced in relation to the Intellofax system, it represents a deplorable example of OCR's unilateral decision-making on general matters relating to substantive content. The current NodeX guide according to an OCR representative was not coordinated either within CIA or the IAC community and despite the hedge in the preamble to the NodeX guide, it appears to discard some information of potential value. Discarded categories include fragmentary order of battle data and reports on unidentified ships and submarines which could eventually carry ballistic missiles. NodeX criteria require further review by a larger audience which includes major users.

c. Speech Files. OCR should maintain complete country by country files on the important speeches by major political leaders. Such speeches theoretically are available now if one has the time for the tedious search of NY Times, FBIS dailies, State and CIA reports, and foreign newspapers. However, these speeches are of such potential usefulness in national intelligence for showing the evolution of political leaders' public positions that special efforts should be made to make complete files available on a moment's notice. Such effort would involve routine

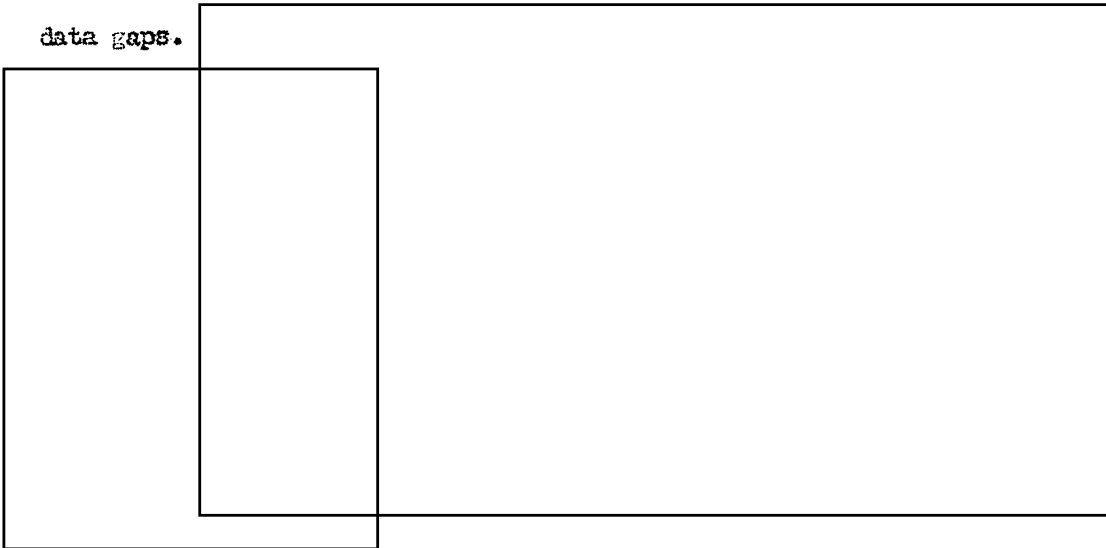
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searches by OCR through relevant incoming source documents (above)  
plus nominations by substantive area analysts



d. Area Source Registers. OCR could maintain, and/or expand as appropriate, a listing of the publications within or relating to each country. Such a listing would include: usual subjects covered, orientation, apparent backers, etc. This effort can borrow as appropriate from The Political Handbook of the World published by the Council on Foreign Relations and from the Library of Congress reference facilities and publications. This device has considerable potential for filling important data gaps.



e. Keeping OCR country files current. There has been about a three week lag in OCR's processing of current reporting from the field for aperture cards. Some way must be found to keep central

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